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OF COUNSEL  
WILLIAM G. CONLY

March 8, 2005

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston (Travis Peak) Zone and Cotton Valley "D"  
Zone, SLIGO FIELD, Bossier Parish, Louisiana.

Dear Sir:

CHESAPEAKE OPERATING, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston (Travis Peak) Zone and to the Cotton Valley "D" Zone, in the Sligo Field, Bossier Parish, Louisiana:

1. To create one (1) additional drilling and production unit for the exploration for and production of gas and condensate from the Hosston (Travis Peak) Zone and from the Cotton Valley "D" Zone, such units being shown on the attached plats and being designated HOSS TP SU57 and CV D SUGG.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate the Chesapeake Operating, Inc.--USA C No. 2 Well as the unit well for HOSS TP SU57, and to authorize Applicant to drill, designate and utilize seven (7) alternate unit wells for HOSS TP SU57, such unit well and proposed alternate unit wells being located as shown on an attached plat.
4. To authorize Applicant to drill, designate and utilize a unit well and six (6) alternate unit wells for CV D SUGG at the locations shown on an attached plat.
5. To designate Applicant as Operator of both of the proposed units.
6. To find that each of the proposed alternate unit wells is necessary to efficiently and economically drain a portion of the unit on which it is proposed to be drilled which cannot be efficiently and economically drained by any existing well on such unit.

7. To approve exceptions to the well location provisions of Office of Conservation Order No. 8-B, effective September 1, 1956, for the location of any of the proposed unit or alternate unit wells, as shown on the attached plats, which does not comply with the well location provisions of said Order.

8. To extend, except as in conflict herewith, the provisions of Office of Conservation Order No. 8-B, effective September 1, 1956, as amended and supplemented by the Order No. 8-B series of Orders, to the proposed additional units.

9. To discuss such other matters as may be pertinent.

The Hosston (Travis Peak) Zone and the Cotton Valley "D" Zone in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person wishing to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated February 25, 2005, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these proposals and set March 18, 2005, as the tentative date for the pre-application conference. No request for the pre-application conference was received within ten (10) days after the date of the pre-application notice; accordingly, no pre-application conference was held.

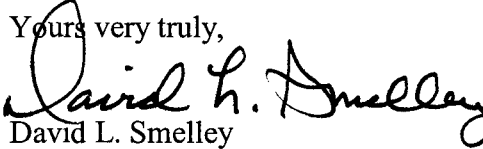
Pursuant to the Revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of each of the unit plats (which are identical to the plats attached to the pre-application notice) is enclosed herewith, and a copy of this letter and of the attached plats is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and of the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all

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March 8, 2005  
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Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, enclosed herewith is our check payable to the Office of Conservation covering the application fee.

Yours very truly,  
  
David L. Smelley

-- Attorney for Chesapeake Operating, Inc.

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encl.)  
Mr. Les Rodman (w/encl.)  
Mr. Joe B. Adams (w/encl.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plat only)

- Unit Well
- ⬡ Proposed Alternate Unit Well
- Alternate Unit Well

R 12 W

27

T

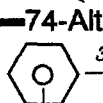
18

N

33

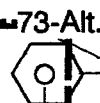
HOSS TP  
SU 57

COI\*



74-Alt.

330'



73-Alt.

330'

ARCO  
USA

75-Alt.



10

5350'



59

1500'

1300'

2550'

1900'

90'

740'

COI\*

C-2

9530'

ARCO  
USA

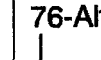
47-Alt.



330'

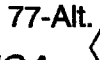
12

8350'



76-Alt.

330'



77-Alt.

330'

USA

1550'

1950'

690'

600'

34

HOSS TP  
SU D



57-Alt.

(Devon)

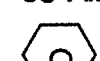
2

6805

9

5403'

56-Alt.



USA

HOSS TP SU G

T

17

N

Seagull-Midsouth



26-T

6650'



SCALE IN 1000 FEET

COI\* = Formerly Greystone  
Wells posted >5000'.

Docket No. 05-

Exhibit No. 1

Chesapeake Operating, Inc.

Sligo Field

Bossier Parish, Louisiana

PROPOSED UNIT  
Hoss TP

Joe B. Adams Consulting Geologist

- Unit Well
- ⬡ Proposed Alternate Unit Well
- Alternate Unit Well

R 12 W

27

T

18

N

33

CV D SU GG

COI\*



330'

1300'

2550'

ARCO  
USA

75-Alt.



550'



10

5350'

59



740'

COI\*



C-2

9530'

ARCO  
USA

47-Alt.



330'

12



8350'

76-Alt.



330'

77-Alt.



330'

USA

600'

1550'

1500'

74-Alt.

73-Alt.



330'

90'

72-A



46-Alt.



34

CV D SU J

57-Alt.



(Devon)



2'

9

6805

5403'

56-Alt.



USA

CV D SU G

Docket No. 05-

Exhibit No. 1

Chesapeake Operating, Inc.

Sligo Field

Boesler Parish, Louisiana

PROPOSED UNIT  
CV D

Joe B. Adams Consulting Geologist

Seagull-Midsouth



26-T

6650'



SCALE IN 1000 FEET

COI\* = Formerly Greystone  
Wells posted >5000'.

17

N